

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Parks and Recreation	(2) MEETING DATE 5/19/2015	(3) CONTACT/PHONE Larry laquinto 781-5209	
(4) SUBJECT Request to approve 1) a FY 2014-15 through FY 2017-18 Assignment of Concession Services Contract with Amaezing Waterpark, Inc. for the operation of Mustang Water Slides water park with one optional five year extension and 2) a FY 2014-15 through FY 2017-18 Conditional Assignment of Concession Services Contract with Amaezing Waterpark, Inc. and 4 to Go, Inc. for the concession at Mustang Water Slides water park with one optional five year extension. District 4.			
(5) RECOMMENDED ACTION It is recommended that the Board approve: <ol style="list-style-type: none"> 1. The Assignment of Concession Services Contract with Amaezing Waterpark, Inc, for the operation and maintenance of Mustang Water Slides water park with one optional five year extension by 4/5 vote. 2. The Conditional Assignment of Concession Services Contract between the County, Amaezing Waterpark Inc and 4 to Go Inc. for the Mustang Water Slides water park concession at Lopez Lake Recreational Area with one optional five year extension by 4/5 vote. 			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0	(8) ANNUAL FINANCIAL IMPACT \$0	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? N/A	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell			
(18) SUPERVISOR DISTRICT(S) District 4			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Larry Iaquinto
781-5209

DATE: 5/19/2015

SUBJECT: Request to approve 1) a FY 2014-15 through FY 2017-18 Assignment of Concession Services Contract with Amaezing Waterpark, Inc. for the operation of Mustang Water Slides water park with one optional five year extension and 2) a FY 2014-15 through FY 2017-18 Conditional Assignment of Concession Services Contract with Amaezing Waterpark, Inc. and 4 to Go, Inc. for the concession at Mustang Water Slides water park with one optional five year extension. District 4.

RECOMMENDATION

It is recommended that the Board approve:

1. The Assignment of Concession Services Contract with Amaezing Waterpark, Inc, for the operation and maintenance of Mustang Water Slides water park with one optional five year extension by 4/5 vote.
2. The Conditional Assignment of Concession Services Contract between the County, Amaezing Waterpark Inc and 4 to Go Inc. for the Mustang Water Slides water park concession at Lopez Lake Recreational Area with one optional five year extension by 4/5 vote.

DISCUSSION

The Parks and Recreation Department is responsible for managing several concession type contracts within the county parks system. One of these concessions is for the Mustang Water Slides at Lopez Lake Recreation Area. The Parks and Recreation Department (County Parks) currently manages and operates the Lopez Lake Recreational Area (LLRA) per the operations agreement between County Parks and the San Luis Obispo County Flood Control and Water Conservation District – Zone 3 (District). In accordance with California Government Code Section 25536, the Board may approve by 4/5 vote to enter into a concessions agreement for leasing or sub-leasing any County Park owned, leased, or managed property.

The Mustang Water Slides water park is located in a high use area of the LLRA adjacent to the new Vista Lago Adventure Park and across from the Vista Lago Swim Area (Attachment 1). It is anticipated that this facility will be rehabilitated over the next couple of years and become more popular with additional exciting new features once the new owners gain input from customers and finalize their long term capital improvement plan. The water park would also compliment the new Vista Lago Adventure Park, Camp French and the Marina creating a popular tourist destination with various diverse recreational opportunities for park users.

The original owner and operator of Mustang Water Slides, 4 to Go Inc., contracted with CPS Amusements, Inc. for concessionaire services for the water park. However, CPS Amusements Inc. defaulted on their obligation to 4 to Go Inc., so the Mustang Water Park has reverted back to 4 to Go Inc. (the original owner), a California Corporation, as per the Conditional Assignment of Concession Services Contract language between the County, 4 to Go Inc. and CPS Amusements Inc. dating back to April of 2009 (Attachment 2). Since the original concession services contract between the

County and 4 to Go Inc. became effective in May of 1996 there have been four subsequent amendments to the original contract with the first being in 2001 and the most recent in 2013.

Amendment 1 (Attachment 2) in June of 2001 was for the dual partnership of 4 to Go Inc. to be taken over by the one of the partners. Amendment 2 (Attachment 2) in April of 2009 was when the previous concessionaire, Christopher Simpson, dba. Mustang Water Slides, took over the assignment of interest in the contract from 4 to Go Inc. for the operation and maintenance of the Mustang Water Slides water park concession in LLRA. He later changed his business name to CPS Amusements Inc., a California Corporation, as stated in Amendment 3 dated August of 2009 (Attachment 2). Due to CPS Amusements, Inc. not being able to fulfill their obligatory requirements as outlined in the Assignment of Concession Services Contract (Attachment 2), notice was given to the County in October of 2014 that CPS Amusements Inc. would relinquish the operations and maintenance of the Mustang Water Park facility at LLRA.

As a result, 4 to Go Inc. has found another operator/buyer for Mustang Water Slides water park and wishes to enter into an Assignment of Concession Services Contract with the buyer, Amaezing Waterpark Inc., a California S Corporation (Attachment 3). County Parks is also requiring that Amaezing Waterpark Inc. sign a Conditional Assignment of Concession Services Contract with the County and 4 to Go Inc. (Attachment 4). In the event that Amaezing Waterpark Inc. defaults on their obligation to the assignor, 4 to Go Inc., for any reason, the contract for the water park would immediately revert back to 4 to Go Inc.

Amaezing Waterpark Inc. is a relatively new company and the owners have had an abundance of business management experience in Australia and relocated to the United States approximately 3 years ago. Additionally, one of the owners has had several years of experience working in the Parks and Recreation industry in the Bay Area prior to their relocation to Australia 15 years ago. Parks and Recreation staff and Real Property Services staff have vetted the business plan submitted by Amaezing Waterpark Inc. and found it contained reasonable assumptions in regards to revenue and expense projections (Attachment 5). Real Property Services staff has verified that the financial and business background information provided by Amaezing Waterpark Inc. is accurate. Although the high use season for water parks is approaching rapidly, if approved, Amaezing Waterpark Inc. plans to open by Memorial Day 2015. They would then implement more significant improvements in the off-season in time to reopen for the 2016 season.

OTHER AGENCY INVOLVEMENT/IMPACT

The Parks and Recreation Department reviewed the business proposal and qualifications provided by the potential concessionaire, Amaezing Waterpark Inc. Real Property Services reviewed the qualifications and verified the background financial and business documentation as well. County Counsel reviewed the attached Assignment of Concession Services Contract and the Conditional Assignment of Concession Contract as to form and legal content.

FINANCIAL CONSIDERATIONS

There are no expenditures necessary by County Parks for the implementation and operation of the Assignment of Services Contract with Amaezing Waterpark Inc. Anticipated gross revenue for the waterpark in the first full year of operation is expected to be approximately \$270,000 and increases to \$330,000 in year two as per the financial estimate completed by Amaezing Waterpark Inc. (Attachment 5). County Parks will receive 7% (an estimated \$19,000) of the gross revenue in 2015 and 8% in 2016 and thereafter. At this time there will be no change to the percent of gross revenue paid to Fund Center 305- Parks and Recreation compared to what was received and structured by the Board in the previous concession contract with CPS Amusements Inc. The following shows the existing schedule that was approved by the Board as per Amendment 4 (Attachment 2) dated July of 2013.

Term	Percentage of Gross Receipts Paid to County
Calendar Year 2015	7%
Calendar Year 2016 and Thereafter	8%

Although not guaranteed, it is anticipated that County Parks will receive approximately \$19,000 in revenue in the first year of operation of the Mustang Water Slides water park. Additionally thereafter, the annual revenue generated is projected to increase based on improvements and marketing techniques that will be used by the new concessionaire.

RESULTS

Approval of the Assignment of Concession Services Contract and the Conditional Assignment of Concession Services Contract between the County, 4 to Go Inc. and Amaezing Waterpark Inc. will allow the Mustang Water Slides water park to remain open for business in 2015. Continuing to provide these services is consistent with the County Parks' mission of providing diverse opportunities for recreation and the personal enrichment of the County's residents and visitors while protecting its natural, cultural and historic resources. Providing these recreational services also supports the Board's goals of providing a healthy and livable community.

ATTACHMENTS

1. Attachment 1 – Mustang Water Park Location Map
2. Attachment 2 – Mustang Water Park Contract and Amendments
3. Attachment 3 - Assignment of Concession Services Contract
4. Attachment 4 - Conditional Assignment of Concession Services Contract
5. Attachment 5 - Amaezing Waterpark Inc. Financial Estimates